

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1130  
Ways and Means

(Delegate Ivey, *et al.*)

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Election Law – Campaign Contributions – Prohibition

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This bill prohibits a person other than an individual or a campaign finance entity from directly or indirectly making a contribution to a campaign finance entity. The bill also repeals a prohibition against an applicant for, or a holder of, a video lottery operation license, or a person who owns an interest in the operation of a video lottery facility in the State, making a contribution, directly or indirectly, to (1) the campaign finance entity of a candidate for any nonfederal public office in the State or (2) any other campaign finance entity organized in support of a candidate for any nonfederal public office in the State.

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Fiscal Summary

**State Effect:** The bill is not expected to materially affect State finances.

**Local Effect:** The bill is not expected to materially affect local government finances.

**Small Business Effect:** None.

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Analysis

**Current Law:** Unless otherwise expressly authorized by law, all campaign finance activity for an election under the Election Law Article of the Annotated Code must be conducted through a campaign finance entity (defined as a political committee established under Title 13 of the Election Law Article). An individual may not file a certificate of candidacy or a declaration of intent until the individual establishes, or causes to be established, an authorized candidate campaign committee (a campaign finance entity authorized by the candidate to promote the candidate's candidacy).

Generally, a person may not make, either directly or indirectly, aggregate contributions of more than \$6,000 to any one campaign finance entity in a four-year election cycle. Contributions by two or more business entities are considered as being made by one contributor if (1) one business entity is a wholly owned subsidiary of another or (2) the business entities are owned or controlled by at least 80% of the same individuals or business entities. "Business entity" includes a corporation, a sole proprietorship, a general partnership, a limited partnership, an LLC, a real estate investment trust, or other entity.

The contribution limit does not apply to contributions to ballot issue committees (campaign finance entities formed to promote the success or defeat of a ballot question or prospective ballot question).

An applicant for, or holder of, a video lottery operation license under Title 9, Subtitle 1A of the State Government Article, or a person who owns an interest in the operation of a video lottery facility (under Subtitle 1A) in this State, may not, directly or indirectly, make a contribution to (1) the campaign finance entity of a candidate for any nonfederal public office in the State or (2) any other campaign finance entity organized in support of a candidate for any nonfederal public office in the State.

**Background:** The National Conference of State Legislatures (NCSL) indicates that 22 states completely prohibit corporations from contributing to political campaigns. Another 22 states impose restrictions on corporation contributions. Finally, 6 states allow corporations to contribute an unlimited amount to state campaigns. Information provided to the Commission to Study Campaign Finance Law (established by Joint Resolution 1 of 2011) in 2012 by NCSL indicated there was variation in the extent to which states' prohibitions on corporation campaign contributions also extended to other types of business entities. NCSL found, however, that in 10 states that prohibited corporation contributions, LLCs, partnerships, and other noncorporate entities were specifically included in the ban.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Board of Elections; State Ethics Commission; Maryland State Lottery and Gaming Control Agency; National Conference of State Legislatures; Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2019  
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